

RD INSTRUCTION 3575

SUBPART A - COMMUNITY PROGRAMS GUARANTEED LOANS

- I. Purpose - This instruction is issued to supplement paragraphs of RD Instruction 3575-A. The purpose is to provide for uniform and orderly processing and closing of community facility guaranteed loans.
- II. Section 3575.52 - Processing
 - A. Paragraphs (a) and (b) - These paragraphs are supplemented to provide a uniform checklist for all community program guaranteed loans. Exhibit A of this instruction will be used as the official Virginia checklist. The checklist will be filed in Position 1 of the Area Office file and will be kept current by Area Office personnel as processing advances.

Date of Completed Pre-Application _____
Date of Completed Application _____

**PROCESSING CHECKLIST
CF GUARANTEED LOANS
RD INSTRUCTION 3575-A**

AREA OFFICE: _____

APPLICANT: _____

COUNTY: _____

PROJECT DESCRIPTION: _____

	Name	Address	Telephone
Applicant			
Contact Person			
Lender			
Contact Person			
Other			

Virginia Instruction 3575-A
Exhibit A, Page 2

STAGE I. APPLICATION

SO USE	FORMS	DOCUMENT/ACTION	FILE POS./ TYPE	REFERENCE	PREPARED BY	RETENTION PERIOD	DATE REC'D
	N/A	Application Conference - to discuss guarantee requirements, application process, determine basic eligibility of applicant and project, and environmental requirements (may be conducted by telephone)	3 Project	3575.52(a)(b)	A/O	Indefinite	
	Letter	Letter to lender and borrower confirming decisions reached at application conference and regarding environmental review process	3 Project	3575.9(a)	A/O	Indefinite	
	SF424.1 or 424.2	Application for Federal Assistance	3 Project	3572.52(b)	Borrower	Indefinite	
	SF-3881	Obtain banking information from borrower and populate EFT database	3 Project	EFT Handbook	A/O	Indefinite	
	Letter	Request planning district review	3 Project	1942.17(m)(i) and RD 1940J	Borrower	Indefinite	
	Letter	Certification that credit unavailable without guarantee	3 Project	3575.20(a)	Lender	Indefinite	
	Organ. Docs.	Organizational Documents a. Cert. Of Incorp. & Amendments b. Art. Of Incorp. & Amendments c. By-Laws d. Attorney's opinion regarding organization and authorization	5 Project	3575.20(b)(c)	Borrower	Indefinite	
	Letter	Eligibility determination and recommendation	3 Project	1942.2(a)(1)(i)	A/O	Indefinite	
	Letter	Copy of application, eligibility determination, and recommendation to S/O with request to process	3 Project	1942.2(a)(1)(i)	A/O	Indefinite	
	Letter	S/O Review/Authorization to process	3 Project	Memo	S/O	Indefinite	

STAGE II. PROCESSING

SO USE	FORMS	DOCUMENT/ACTION	FILE POS./ TYPE	REFERENCE	PREPARED BY	RETENTION PERIOD	DATE REC'D
	See Forms	Processing Conference (Furnish to lender Forms 3575-1, 1940-20, 449-14, 449-34, 449-35 and RD Instruction 3575-A and examples of certification of lender (3575.63) and loan closing opinion	3 Project	3575.63(a)(b)(c)(d)(e)(f)(g)	A/O	Indefinite	
	3575-1	Application for Loan and Guarantee	3 Project	3572.52(b)	Borrower	Indefinite	
	Printouts/ Running Record	a)Current/Past Debt History with RD b)CAIVRS	3 Project	1942.2(a)(v) S/O Unnumbered Memo	A/O	Indefinite	

Virginia Instruction 3575-A
Exhibit A, Page 3

ENVIRONMENTAL COMPLIANCE
(To be conducted concurrently with the Application Phase)
(ENVIRONMENTAL ASSESSMENT MUST BE APPROVED PRIOR TO OBLIGATION)

SO USE	FORMS	DOCUMENT/ACTION	FILE POS./ TYPE	REFERENCE	PREPARED BY	RETENTION PERIOD	DATE REC'D
	1940-20	Request for Environmental Information	3 Project	1940-G	Borrower	Indefinite	
	1940-22	Categorical Exclusion	3 Project	1940-G	A/O	Indefinite	
	1940-21	Environmental Assessment for Class I Action	3 Project	1940-G; RD AN No. 3745	A/O	Indefinite	
	Exhibit H	Environmental Assessment for Class II Action	3 Project	1940-G	A/O	Indefinite	
	N/A	Public Preliminary Notification Floodplain/Wetland/Farmland/Cultural Resources Impacts	3 Project	1940-G	Borrower A/O	Indefinite	
	N/A	Public Final Notification Floodplain/Wetland/Farmland/Cultural Resources Impacts	3 Project	1940-G	Borrower A/O	Indefinite	
	N/A	Finding of No Significant Impact (FONSI)	3 Project	1940-G	Borrower A/O	Indefinite	
	RD 2006-38	Civil Rights Impact Analysis with attachments: Census data and map of service area identifying location of proposed site, any minority or low-income community, industrial sites (such as sewage and solid waste treatment facilities and industrial parks), railroad tracks, and farms that routinely crop-dust	3 Project	RD AN No. 3776 (2006-P)	A/O	Indefinite	

NOTE: FONSI Notice and 15 day comment period must be over prior to issuance of Letter of Conditions to Applicant.

Virginia Instruction 3575-A
Exhibit A, Page 4

SO USE	FORMS	DOCUMENT/ACTION	FILE POS./ TYPE	REFERENCE	PREPARED BY	RETENTION PERIOD	DATE REC'D
	Guide 5	Financial Feasibility Report	3 Project	1942.17(h)(1)(i)(ii)	Lender	Indefinite	
	Permits	Copies of permits, certifications, and recommendation from appropriate regulatory agencies	5 Project	3575.43	Borrower	Indefinite	
	Lender's Form	Lender's Credit Analysis	5 Project	3575.47	Lender	Indefinite	
	Credit Report	Credit Reports from lender (if obtained)	8 Project	3575.52(b)	Lender	Indefinite	
	Lender's Form	Proposed Loan Agreement	5 Project	3575.52(b)	Lender	Indefinite	
	AD-1048	Certification Regarding Debarment (Lower Tier Transactions)	5 Project	1940-M, 1940.606(b)(1)	Lender	Indefinite	
	Appraisal Report	Appraisal Reports (if required by lender)	8 Project	3575.49(a)	Borrower Lender	Indefinite	
	1942-43	Project Summary	3 Project	1942.5(c)	A/O	Indefinite	
	1942-14	Fund Analysis	3 Project	1942.5(c)(3)	A/O	Indefinite	

SUBMIT TO STATE OFFICE

SO USE	FORMS	DOCUMENT/ACTION	FILE POS./ TYPE	REFERENCE	PREPARED BY	RETENTION PERIOD	DATE REC'D
	442-7	Operating Budget	3 Project	1942.5(c)	A/O	Indefinite	
	1940-3	Request for Obligation of Funds	2 Project	3575.57	A/O S/O	Indefinite	
	449-14	Conditional Commitment to Lender	2 Project	3575.53	S/O	Indefinite	
	449-14	Acceptance of Conditions	2 Project	3575.59	Lender Borrower	Indefinite	
	449-14	Add, delete, or change guaranteed loan borrower info (initial loans)	2 Project	3575.59	A/O S/O	Indefinite	

STAGE III: CONSTRUCTION PHASE/FINANCING

Interim (construction) financing must be arranged by lender/applicant.

Guaranteed Loan Only:

- **Specification for design and construction must meet all state, federal, and local requirements. Lender, not Rural Development, is responsible for this determination. Not subject to 1942-A requirements unless direct loan is involved (3575.43).**

- Preliminary plans and specs are submitted to RD to determine the facility is modest in size, design, and cost (3575.42).
- Lender is responsible for review and approval of all final plans and specs, as well as contract documents. Documents are not required to be submitted to RD for our records, review, or approval (3575.42).
- Lender is responsible for all aspects of construction. Lender will monitor progress of construction and undertake reviews and project inspections necessary to reasonably assure funds are used for eligible project costs and that problems in project development are reported to RD [3575.42(b)].

Combination Loans (Direct and Guarantee)

- Recommended that lender provide construction financing for the entire project.
- RD should be prepared to close the direct loan and expense funds prior to the lender's request for guarantee.
- Lender certifies at end of construction.

NOTE: LOAN NOTE GUARANTEE WILL NOT BE DELIVERED UNTIL AFTER THE FACILITY IS FULLY OPERATIONAL AND THE PERMANENT LOAN IS CLOSED.

STAGE IV: LENDER'S CLOSING

SO USE	FORMS	DOCUMENT/ACTION	FILE POS./ TYPE	REFERENCE	PREPARED BY	RETENTION PERIOD	DATE REC'D
	N/A	Lender sends copies of the following executed documents to RD after loan closing. a) Loan Agreement b) Lender's loan documents c) Lender's Agreement (Form 449-35) d) Closing certifications (review) e) Guaranteed loan fee	6 Project	3575.64	A/O Lender	Indefinite	
	N/A	Rural Development conducts cursory review to ensure all conditional commitment requirements have been met	N/A	3575.63	A/O S/O	Indefinite	
	449-35	Lender's Agreement	5 Project	3575.64(a)	A/O	Indefinite	
	449-34	Loan Note Guarantee	5 Project	3575.64(b)	A/O	Indefinite	
	451-2	Guaranteed Loan Fee submitted to Finance Office on 451-2	N/A	3575.64(b)	A/O	Indefinite	
	N/A	Guaranteed Loan System is populated with lender and borrower information	N/A	Guaranteed Loan System User Guide	A/O	Indefinite	
	449-36	If lender is selling the guaranteed portion on the secondary market to a holder, RD executes Form 449-36, along with incumbency letter	3 Project	3575.64(c)	A/O	Indefinite	

Other Area Office Requirements
